



January 29, 2026

The Honorable Pamela Beidle
Chair
Senate Finance Committee
Room 3E, Miller Senate Office Building
11 Bladen Street
Annapolis, Md 21401

RE: Oppose SB 94 – "Commercial Law – Earned Wage Access – Revisions"

Dear Chair Beidle, Vice Chair Hayes, and members of the Committee:

On behalf of Chamber of Progress – a tech industry association supporting public policies to build a society in which all people benefit from technological advances – **I respectfully urge you to oppose SB 94**. By categorically banning voluntary tipping and imposing misaligned consumer loan requirements on earned wage access (EWA) providers, this bill would undermine Maryland's recently enacted EWA framework without providing meaningful additional consumer protection. These changes risk reducing access to EWA services for the Maryland workers who rely on them most.

Maryland's existing EWA framework already addresses tip-related concerns comprehensively

Less than a year ago, Maryland enacted House Bill 1294, establishing one of the nation's most comprehensive regulatory frameworks for earned wage access.¹ The law, which took effect October 1, 2025, caps fees at \$5 for smaller advances and \$7.50 for larger ones, requires providers to offer at least one no-cost option, prohibits interest and late fees, bars credit checks and credit reporting, and ensures EWA transactions are non-recourse, meaning providers cannot pursue collection through litigation, third parties, or debt sales.² All providers must be licensed under the Office of Financial Regulation and submit annual reports beginning in July 2026.

The centerpiece of SB 94 is a categorical ban on voluntary tipping. But Maryland's existing framework already addresses concerns about tips through targeted safeguards.

¹ "Maryland enacts Earned Wage Access legislation." *Consumer Finance Monitor*, Jun. 4, 2025.
<https://www.consumerfinancemonitor.com/2025/06/04/maryland-enacts-earned-wage-access-legislation/>
² *Ibid.*

Current law requires that any provider soliciting tips must set the default amount at zero, ensuring consumers are never nudged toward tipping.³ Providers must clearly and conspicuously disclose that tips are optional and voluntary immediately prior to each transaction.⁴ The law explicitly prohibits conditioning a consumer's ability to obtain EWA on their willingness to pay a tip.⁵

Consumers in Maryland already see a default tip of zero, understand tips are optional, know tipping will not affect their service, and can receive a full refund. These provisions ensure that tips under Maryland's current framework are genuinely voluntary, fully transparent, and completely refundable. SB 94's tipping ban is a solution in search of a problem. It eliminates consumer choice without providing additional consumer benefits.

A complete tipping ban could reduce EWA access for Maryland workers

Voluntary tipping is a consumer-driven revenue model that allows providers to offer free or low-cost base services. When consumers choose to tip – with full transparency and a default of zero – they are expressing satisfaction with a service that helped them avoid overdraft fees, pay a bill on time, or cover an emergency expense.

Without tip revenue, providers face difficult choices: they may shift to mandatory subscription fees, increasing costs for *all* users including those who currently access EWA at no cost, they may reduce service availability in Maryland, or they may exit the Maryland market entirely. Any of these outcomes would leave Maryland workers with fewer options for managing financial gaps. Chamber of Progress supports strong consumer protections, but SB 94 goes beyond protection into restrictions that may harm the workers it intends to help.

Studies show that EWA frameworks are understood by and benefit consumers

Independent research on EWA users finds that accessed wages go mainly toward rent, utilities, fuel, prescriptions, auto repair, and credit card payments, with no increase in discretionary spending. That same research reports **no evidence of increased overdraft fees, interest charges, or other bank fees**, reinforcing that EWA functions as a critical income stabilizer.⁶

Further data points illustrate that EWA is used for necessities, not splurges: survey findings indicate the most common uses are paying bills on time, buying groceries, and

³ Md. Code, Com. Law § 12-1503(a)(9)(i) (2025).

⁴ Md. Code, Com. Law § 12-1503(a)(9)(iii) (2025).

⁵ Md. Code, Com. Law § 12-1504(2) (2025) .

⁶ Jonathan M.V. Davis. *The Impacts of Earned Wage Access: How Giving Workers More Control Over Pay Timing Can Increase Income and Boost Financial Stability*. Nov., 2025.

https://assets.ctfassets.net/9bmss1jcvj9u/5EJKZ88JUrOs3pDQHmoIs9/Of27191ba836ae29c0ae7a453e2821b2/Davis_Impacts_of_Earned_Wage_Access_2025_Final.pdf

avoiding late or overdraft fees.⁷ Earned wage access helps ease this pressure by giving workers earlier access to wages they have *already earned*, so a short-term cash crunch does not cascade into missed payments, overdrafts, or high-cost credit.

Consumers report that they understand these products and choose them over alternatives. More than 9 in 10 users say they understand the service structure and associated fees, and a strong majority consider EWA superior to other financial products they weighed for short-term cash needs.⁸ 80% of users report their lives have significantly improved since adopting these services.⁹

Applying consumer loan requirements to EWA creates regulatory confusion

SB 94 also removes EWA providers' exemption from certain consumer loan provisions, specifically §§ 12-304, 12-305, and 12-316.1 of Maryland's Commercial Law Article.¹⁰ But current Maryland law explicitly treats EWA differently from loans. Earned wage access providers are exempt from state laws governing lending, credit, or debt.¹¹

Applying consumer loan requirements to a service that is explicitly exempt from lending laws creates a contradictory regulatory framework. Providers would need to comply with requirements designed for credit products even though EWA involves no lending, no interest, and no debt obligation. This regulatory uncertainty increases compliance costs, may discourage providers from operating in Maryland, and could reduce competition and consumer choice.

For these reasons, **we respectfully urge you to oppose SB 94**. While the bill's intent to strengthen consumer protection is well-meaning, Maryland's existing EWA framework already provides comprehensive safeguards, including robust protections around voluntary tipping. SB 94's categorical tipping ban and consumer loan carve-outs go beyond what is necessary and risk reducing access to earned wage access services for the Maryland workers who benefit from them.

Sincerely,



Brianna January
Director of State & Local Government Relations, Northeast US

⁷ FTI Consulting. Direct to Consumer Earned Wage Access User Survey Key Findings. Jul. 7, 2021. <https://www.earnin.com/assets/pdf/FTI-Earned-wage-access-memo.pdf>

⁸ FTI Consulting, 2021.

⁹ *Ibid.*

¹⁰ SB 94, Section 1, amending Md. Code, Com. Law § 12-1502(c).

¹¹ Md. Code, Com. Law § 12-1502(c)-(d) (2025).